

By: Oliveira, Otto

H.B. No. 4611

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the treatment of proceeds from sales of certain loans
3 and securities for purposes of apportionment under the franchise
4 tax.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 171.106, Tax Code, is amended by adding
7 Subsection (f-1) to read as follows:

8 (f-1) Notwithstanding Section 171.1055, if a lending
9 institution categorizes a loan or security as "Securities Available
10 for Sale" or "Trading Securities" under Financial Accounting
11 Standard No. 115, the gross proceeds of the sale of that loan or
12 security are considered gross receipts. In this subsection,
13 "Financial Accounting Standard No. 115" means the Financial
14 Accounting Standard No. 115 in effect as of January 1, 2009, not
15 including any changes made after that date. In this subsection,
16 "security" means a security as defined in Section 171.0001(13-a).

17 SECTION 2. This Act applies only to a report originally due
18 on or after the effective date of this Act.

19 SECTION 3. This Act takes effect January 1, 2010.